

ASSEMBLY BILL

No. 1374

Introduced by Assembly Member Daucher

February 21, 2003

An act to add Section 10108.5 to the Public Contract Code, relating to public contracts, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1374, as introduced, Daucher. State agency services: local government.

Existing law specifies requirements for contracts entered into by state agencies.

This bill would authorize any state agency, subject to the approval by the Department of General Services, to enter into a contract to furnish services to, or perform work for, a local government agency. The services and work would be limited to services and work already authorized to be performed by the state agency. Of any profit derived from the contracts, 75% would be allocated for deposit into the General Fund, while 25% would be allocated for retention by the state agency for purpose of program development and employee incentives, thereby making an appropriation.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10108.5 is added to the Public Contract
2 Code, to read:

1 10108.5. (a) Subject to approval of the department, a state
2 agency may contract with any local government agency to furnish
3 any service to, or perform work for, that local government agency
4 upon those terms and conditions and for that consideration as it
5 may determine. Any state agency so contracting shall include in
6 its charges under the contract those direct and indirect costs to the
7 state in furnishing the service or performing the work as may be
8 approved by the department, and shall compute its charges under
9 the contract in a manner approved by the Director of Finance.

10 (b) The department, upon those terms and conditions as he or
11 she may prescribe, may except from his or her approval, or grant
12 blanket approval for, the furnishing of any service, the
13 performance of any work, any contracts for that service or work,
14 the computation of any charges, or the inclusion of any costs
15 provided for herein.

16 (c) The service to be furnished or work to be performed by a
17 state agency under this section is limited to only the type of service
18 and work that the state agency is authorized to perform pursuant
19 to law other than this section.

20 (d) The state agency may only hire additional staff for any
21 service and work performed under this section if the costs for the
22 additional staff are reimbursed or otherwise paid for by charges or
23 fees paid by the local government entity to the state agency for
24 providing the work or services.

25 (e) Any profit derived by a state agency under this section shall
26 be allocated as follows:

27 (1) Twenty-five percent shall be retained by the state agency for
28 purposes of program development and employee incentives.

29 (2) Seventy-five percent shall be deposited into the General
30 Fund.

